

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. <u>08-</u></b>
<b>v.</b>	<b>:</b>	<b>DATE FILED: <u>December 11, 2008</u></b>
<b>PETER RHEIN</b>	<b>:</b>	<b>VIOLATIONS:</b>
	<b>:</b>	<b>29 U.S.C. § 501(c) (embezzlement of</b>
	<b>:</b>	<b>union funds – 6 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 1001 (making a false</b>
	<b>:</b>	<b>statement – 8 counts)</b>

**INDICTMENT**

**COUNTS ONE THROUGH SIX**

**THE GRAND JURY CHARGES THAT:**

1. The American Federation of Teachers (“AFT”) AFL-CIO, Local Union 3845, Unit Lincoln Technical Institute (the “AFT Local 3845” or “Union”), is a “labor organization” located in Philadelphia, which is engaged in an industry affecting interstate commerce within the meaning of Title 29 of the United States Code.

2. At all times relevant to this indictment, defendant PETER RHEIN was treasurer of the AFT Local 3845.

3. Between on or about October 1, 2002, and on or about February 1, 2008, defendant PETER RHEIN embezzled a total of more than \$40,000 of AFT funds for his own personal use.

4. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN**

embezzled, stole, and unlawfully and willfully abstracted and converted to his own use moneys and funds of the AFT Local 3845, in that, he made purchases or payments from the Union's bank accounts that were neither authorized by the Union nor legitimate Union expenditures:

<b>COUNT</b>	<b>DATE</b>	<b>VENDOR</b>	<b>AMOUNT</b>
1	December 15, 2003	Comp USA in Philadelphia	\$724.29
2	December 26, 2003	Blockbuster Video in Philadelphia	\$135.40
3	May 24, 2004	Joe Ordini's Pool & Spas in Bristol, PA	\$71.01
4	January 13-14, 2005	The Lincoln Motel in Trevoise, PA	\$200
5	March 7, 2005	T-Mobile	\$109.22
6	June 12, 2006	Raceway Park in Souve, NJ	\$100

All in violation of Title 29, United States Code, Section 501(c).

**COUNT SEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations in that defendant RHEIN falsely represented that A.T., the president of the AFT Local 3845, signed Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2006 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, when, in fact, defendant RHEIN had forged A.T.'s signature on the form.

In violation of Title 18, United States Code, Section 1001.

**COUNT EIGHT**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations on Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2006 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, in that, defendant RHEIN provided false information about the Union's finances, that is, the Union's assets, liabilities, receipts, and disbursements.

In violation of Title 18, United States Code, Section 1001.

**COUNT NINE**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations in that defendant RHEIN falsely represented that A.T., the president of AFT Local 3845, signed Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2005 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, when, in fact, defendant RHEIN had forged A.T.'s signature on the form.

In violation of Title 18, United States Code, Section 1001.

**COUNT TEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations on Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2005 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, in that, defendant RHEIN provided false information about the Union's finances, that is, the Union's assets, liabilities, receipts and disbursements.

In violation of Title 18, United States Code, Section 1001.

**COUNT ELEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations in that defendant RHEIN falsely represented that A.T., the president of AFT Local 3845, signed Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2004 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, when, in fact, defendant RHEIN had forged A.T.'s signature on the form.

In violation of Title 18, United States Code, Section 1001.

**COUNT TWELVE**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations on Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2004 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, in that, defendant RHEIN provided false information about the Union's finances, that is, the Union's assets, liabilities, receipts and disbursements.

In violation of Title 18, United States Code, Section 1001.



**COUNT THIRTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations in that defendant RHEIN falsely represented that A.T., the president of AFT Local 3845, signed Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2003 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, when, in fact, defendant RHEIN had forged A.T.'s signature on the form.

In violation of Title 18, United States Code, Section 1001.

**COUNT FOURTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

In or about July 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**PETER RHEIN,**

in a matter within the jurisdiction of the United States Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations on Form LM-4, Labor Organization Annual Report, for the fiscal year ending June 30, 2003 on behalf of AFT Local 3845 which defendant RHEIN submitted to the Department of Labor's Office of Labor-Management Standards, in that, defendant RHEIN provided false information about the Union's finances, that is, the Union's assets, liabilities, receipts and disbursements.

In violation of Title 18, United States Code, Section 1001.

**A TRUE BILL:**

**GRAND JURY FOREPERSON**

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**LAURIE MAGID**  
**Acting United States Attorney**